

TOWN OF WEARE, NEW HAMPSHIRE

Financial Statements

December 31, 2014

and

Independent Auditor's Report

TOWN OF WEARE, NEW HAMPSHIRE
FINANCIAL STATEMENTS
December 31, 2014

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INDEPENDENT AUDITOR'S REPORT

To the Board of Selectmen
Town of Weare, New Hampshire

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Weare, New Hampshire as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on Governmental Activities

As discussed in Note 2 to the financial statements, management has not recorded a liability for other post-employment benefits in governmental activities and, accordingly, has not recorded an expense for the current period change in that liability. Accounting principles generally accepted in the United States of America require that other post-employment benefits attributable to employee services already rendered and that are not contingent on a specific event that is outside the control of the employer and employee be accrued as liabilities and expenses as employees earn the rights to the benefits, which would increase the liabilities, reduce the net position, and change the expenses of the governmental activities. The amount by which this departure would affect the liabilities, net position, and expenses of the governmental activities is not reasonably determinable.

Adverse Opinion

In our opinion, because of the significance of the matter described in the “Basis for Adverse Opinion on Governmental Activities” paragraph, the financial statements referred to above do not present fairly, the financial position of the governmental activities of the Town of Weare, New Hampshire, as of December 31, 2014, or the changes in financial position thereof for the year then ended.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Town of Weare, New Hampshire, as of December 31, 2014, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

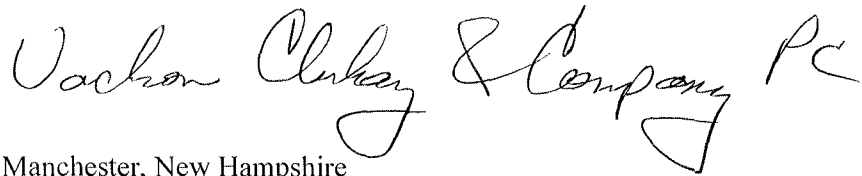
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis and budgetary comparison information on pages i-vii and 21-22 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Weare, New Hampshire’s basic financial statements. The combining nonmajor governmental and fiduciary fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor governmental and fiduciary fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor governmental and fiduciary fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script that reads "Vachon Clukey & Company PC". The signature is written in black ink and is positioned above the printed text of the firm's name and date.

Manchester, New Hampshire
August 19, 2015

**TOWN OF WEARE, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDING DECEMBER 31, 2014**

The following is a discussion and analysis of the financial activities of the Town of Weare, New Hampshire for the year ending December 31, 2014. Readers are encouraged to consider the information presented here in conjunction with the Town's financial statements.

Responsibility for both the accuracy of the data, and the completeness and fairness of this presentation (including all disclosures) rests with management. To the best of our knowledge and belief, the data contained herein is accurate in all material respects. This data is reported in a manner designed to fairly present the Town's financial position, and the result of operations of the various funds of the Town. All disclosures necessary to enable the reader to gain an accurate understanding of the Town's financial activities have been included.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements include three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the basic financial statements

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to most private-sector companies.

The **Statement of Net Position** presents information on all of the Town's (a) assets and deferred outflows of resources and (b) liabilities and the deferred inflows of resources with the difference between these reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The **Statement of Activities** presents information showing how the Town's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future periods (such as uncollected taxes and earned but unused vacation leave).

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds: Most of the basic services provided by the Town are financed through governmental funds. Unlike the government-wide financial statements, the governmental fund financial statements report using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted into cash. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between the governmental activities statement of net position and statement of activities.

Fiduciary funds are used to account for resources held for the benefit of parties outside of the Town government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. The Town's fiduciary funds include private-purpose trust funds, capital reserve funds of the John Stark Regional School District in addition to funds held for escrows.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and the fund financial statements.

Required Supplementary Information

The basic financial statements and accompanying notes are followed by a section of required supplementary information. This section includes a budgetary comparison schedule for the Town's major governmental funds and includes a reconciliation between the reported activity of the revenues, expenditures and transfers for budgetary purposes (Schedule 1) and the activity as presented in the governmental fund financial statements (Exhibit D). The Town's only major governmental fund for 2014 with an adopted budget is the General Fund.

Other Supplementary Information

Other supplementary information includes combining financial statements for non-major governmental funds and fiduciary funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

Net position of the Town of Weare as of December 31, 2014 and 2013 is as follows:

	<u>2014</u>	<u>2013</u>
Current and other assets:		
Capital assets, net	\$ 13,487,387	\$ 12,942,090
Other assets	<u>10,843,201</u>	<u>11,738,335</u>
Total assets	<u>24,330,588</u>	<u>24,680,425</u>
Deferred outflows of resources	<u>-</u>	<u>-</u>
Long term and other liabilities:		
General obligation bonds payable	190,000	310,000
Compensated absences	12,836	12,575
Other liabilities	<u>5,721,918</u>	<u>6,455,578</u>
Total liabilities	<u>5,924,754</u>	<u>6,778,153</u>
Deferred inflows of resources	<u>333,759</u>	<u>-</u>
Net position:		
Net investment in capital assets	13,347,387	12,732,090
Restricted	2,550,938	2,650,667
Unrestricted	<u>2,173,750</u>	<u>2,519,515</u>
Total net position	<u>\$ 18,072,075</u>	<u>\$ 17,902,272</u>

The largest portion of the Town's net position reflects its investment in capital assets such as land, buildings, equipment, and infrastructure, less any related outstanding debt used to acquire those assets. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves generally cannot be used to liquidate these liabilities.

An additional portion of the Town's net assets represents resources that are subject to external restrictions on how they may be used. For the Town of Weare, those restrictions include those related to non-expendable trust funds and unexpended donations.

Statement of Activities

Changes in net position for the years ending December 31, 2014 and 2013 are as follows:

	<u>2014</u>	<u>2013</u>
Program revenues:		
Charges for services	\$ 394,595	\$ 582,711
Operating grants and contributions	346,949	354,860
Capital grants and contributions	39,544	-
Total program revenues	<u>781,088</u>	<u>937,571</u>
General revenues:		
Property and other taxes	3,213,205	2,914,612
Licenses and permits	1,625,438	1,543,259
Intergovernmental revenue	426,140	392,963
Interest and investment earnings	171,627	299,596
Miscellaneous	84,419	165,715
Total general revenues	<u>5,520,829</u>	<u>5,316,145</u>
Total revenues	<u>6,301,917</u>	<u>6,253,716</u>
Program expenses:		
General government	1,198,322	1,031,038
Public safety	2,206,683	2,261,904
Highways and streets	1,921,478	1,905,564
Sanitation	459,816	423,963
Water distribution and treatment	2,887	7,914
Health and welfare	40,232	28,485
Culture and recreation	289,692	333,502
Interest and fiscal charges	13,004	17,778
Total expenses	<u>6,132,114</u>	<u>6,010,148</u>
Change in net position	169,803	243,568
Net position - beginning of year	<u>17,902,272</u>	<u>17,658,704</u>
Net position - ending of year	<u>\$ 18,072,075</u>	<u>\$ 17,902,272</u>

The Town's net position increased \$169,803 during the current year. Total revenue of \$6,301,917 exceeded expenses of \$6,132,114.

Property and other taxes brought in \$3,213,205 in revenues. Licenses and permits generated \$1,625,438 in revenues. Other revenues consisted of charges for services, intergovernmental, interest and investment earnings, and miscellaneous revenues.

The Town's expenses cover a range of services. The largest expenses were for public safety (35.99%), highways and streets (31.33%), and general government (19.54%) which accounted for 86.86% of total expenses.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

General Fund

The General Fund is the main operating fund of the Town. At the end of the current fiscal year, the General Fund had a fund balance of \$846,109. In accordance with GASB Statement #54, this fund balance incorporates the Library Fund and the various Expendable Trust Funds which amount to \$367,002 as of December 31, 2014. The overall fund balance of the General Fund decreased \$103,123 from December 31, 2013.

A decrease in the fund balance was anticipated. At tax rate setting, the Town applied \$200,000 of the unassigned fund balance to reduce the tax rate. An additional \$211,992 from fund balance was authorized at the 2014 annual meeting to offset approved warrant articles.

Permanent Funds

Permanent funds account for resources that are legally restricted to the extent that only earnings and not principal may be used for purposes that support the Town's programs. At December 31, 2014, the balance of \$969,700 was nonspendable and \$269,205 was restricted for income on endowments. The overall fund balance decreased by \$14,749 during 2014.

Other Governmental Funds

The total fund balance of \$1,596,255 in the other governmental funds is earmarked for the purposes of the individually established fund. The largest portion of this total represents the balance in the Eastman Trust Fund (\$866,490 or 54.3%), the Bridge Capital Projects Fund (\$315,897 or 19.8%), and the Town Forest (\$150,571 or 9.4%).

GENERAL FUND BUDGETARY HIGHLIGHTS

Budgetary information for the major governmental fund (the General Fund) is included in the Required Supplementary Information section. During the year, the original budgeted estimated revenues and appropriations decreased by \$100,000 representing approved appropriations and offsetting estimated revenue carried forward to 2015.

Actual revenues and other financing sources on the budgetary basis were less than the budgeted amount by \$65,436. Although the Town recognized revenue from licenses and permits, charges for services and miscellaneous revenue for a combined total of \$142,453 in excess of the budgeted amount, \$200,000 anticipated from a miscellaneous grant did not materialize.

The Town under expended its budget by \$152,176. Demonstrating fiscal restraint, town officials were able to manage some of the town's business under budget. The key areas of savings resulted in the following functions: highways and streets, public safety and capital outlay. These

areas of savings helped offset over expended budgets in general government, sanitation, and interest and fiscal charges.

CAPITAL ASSET AND LONG-TERM OBLIGATIONS

Capital Assets

The Town considers a capital asset to be an asset whose costs exceeds \$5,000 and has a useful life of greater than (1) year. Assets are depreciated using the straight-line method over the course of their useful life.

The Town's investment in capital assets for its governmental activities as of December 31, 2014 amounts to \$21,942,538. Accumulated depreciation amounts to \$8,455,151, leaving a net book value of \$13,487,387. This investment in capital assets includes buildings and improvements, CIP, vehicles and equipment, and land improvements. See Note 6 in the Notes to the Basic Financial Statements for a summary of all capital assets.

Long-Term Obligations

At December 31, 2014, the Town of Weare had total outstanding bonded debt of \$190,000. No new obligation bonds were issued during the year of 2014.

See Note 8 in the Notes to the Basic Financial Statements for a summary of all outstanding long-term obligations.

ECONOMIC CONDITIONS

The Town is in good financial condition. There is currently a demand for a new Highway Garage as well as continued improvements to both the Town Hall and the Town Office buildings. The Town of Weare has reviewed and updated its Capital Improvement Plan (CIP) to accommodate and anticipate the needs of the community and its operation based on continued growth. The tax rate for 2013 was \$21.75 compared to the change to \$22.21 for the tax year 2014. The total assessed value on which the tax rate was computed for 2014 was \$819,615,914. The Town underwent a revaluation of properties in the year of 2011.

Several factors were taken into consideration as Town officials developed the budget for the 2014 fiscal year. Those factors included both property tax burden and prudent decisions with regard to the Town infrastructure. The warrant encompassed separate articles ranging from two bond articles, to two collective bargaining agreements, to several capital purchases. Voters passed the bond article for the bridge replacement but failed the Highway Department garage. The collective bargaining agreement for the Public Works passed, but the Police Department failed. The Highway Department was approved for a new 10-wheeler, pickup truck, gasoline system upgrade, hazardous waste day, and road reconstruction. The non-union raises, fireworks and funding to the government building capital reserve fund were also approved. Unfortunately, there were some very vital articles that were rejected: the operating budget, ambulance, police cruiser, cemetery fencing and additional parking for Bolton Memorial park.

Weare remains a residential community. The 2009 population estimate for Weare was 9500 residents.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances for all of Weare citizens, taxpayers, and creditors. This financial report seeks to demonstrate the Town's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Town of Weare, Selectmen's Office, 15 Flanders Memorial Road, Weare, NH 03281.

EXHIBIT A
TOWN OF WEARE, NEW HAMPSHIRE
Statement of Net Position
December 31, 2014

	Governmental Activities
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 6,635,861
Investments	2,508,501
Taxes receivable, net	1,438,821
Accounts receivable, net	188,850
Due from other governments	1,931
Tax deeded property	69,237
Total Current Assets	<u>10,843,201</u>
Noncurrent Assets:	
Capital assets:	
Non-depreciable capital assets	7,384,545
Depreciable capital assets, net	6,102,842
Total Noncurrent Assets	<u>13,487,387</u>
Total Assets	<u>24,330,588</u>
DEFERRED OUTFLOWS OF RESOURCES	
Total Deferred Outflows of Resources	<u>-</u>
LIABILITIES	
Current Liabilities:	
Accounts payable	121,620
Accrued expenses	226,531
Due to other governments	5,373,767
Current portion of bonds payable	120,000
Total Current Liabilities	<u>5,841,918</u>
Noncurrent Liabilities:	
Bonds payable	70,000
Compensated absences	12,836
Total Noncurrent Liabilities	<u>82,836</u>
Total Liabilities	<u>5,924,754</u>
DEFERRED INFLOWS OF RESOURCES	
Unearned land use tax revenue	4,500
Advance from grantor	329,259
Total Deferred Inflows of Resources	<u>333,759</u>
NET POSITION	
Net investment in capital assets	13,347,387
Restricted	2,550,938
Unrestricted	2,173,750
Total Net Position	<u>\$ 18,072,075</u>

See accompanying notes to the basic financial statements

EXHIBIT B
TOWN OF WEARE, NEW HAMPSHIRE
Statement of Activities
For the Year Ended December 31, 2014

Functions/Programs	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental Activities:					
General government	\$ 1,198,322	\$ 95,187	\$ 4,315		\$ (1,098,820)
Public safety	2,206,683	101,286	4,938		(2,100,459)
Highways and streets	1,921,478		337,396	\$ 39,544	(1,544,538)
Sanitation	459,816	177,675			(282,141)
Water distribution and treatment	2,887				(2,887)
Health and welfare	40,232	1,905			(38,327)
Culture and recreation	289,692	18,542	300		(270,850)
Interest and fiscal charges	13,004				(13,004)
Total governmental activities	<u>\$ 6,132,114</u>	<u>\$ 394,595</u>	<u>\$ 346,949</u>	<u>\$ 39,544</u>	<u>(5,351,026)</u>
General revenues:					
Property and other taxes					3,213,205
Licenses and permits					1,625,438
Grants and contributions:					
Rooms and meals tax distribution					425,991
State and federal forest land reimbursement					149
Interest and investment earnings income					171,627
Miscellaneous					84,419
Total general revenues					<u>5,520,829</u>
Change in net position					169,803
Net position - beginning					<u>17,902,272</u>
Net position - ending					<u>\$ 18,072,075</u>

See accompanying notes to the basic financial statements

EXHIBIT C
TOWN OF WEARE, NEW HAMPSHIRE
Balance Sheet
Governmental Funds
December 31, 2014

	General Fund	Permanent Funds	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 6,301,019		\$ 334,842	\$ 6,635,861
Investments	119,342	\$ 1,359,591	1,029,568	2,508,501
Taxes receivable, net	1,438,821			1,438,821
Accounts receivable, net	7,826		69,522	77,348
Due from other governments	1,931			1,931
Due from other funds	474,475		833,379	1,307,854
Tax dedeed property	69,237			69,237
Total Assets	<u>8,412,651</u>	<u>1,359,591</u>	<u>2,267,311</u>	<u>12,039,553</u>
DEFERRED OUTFLOWS OF RESOURCES				
Total Deferred Outflows of Resources	-	-	-	-
Total Assets and Deferred Outflows of Resources	<u>\$ 8,412,651</u>	<u>\$ 1,359,591</u>	<u>\$ 2,267,311</u>	<u>\$ 12,039,553</u>
LIABILITIES				
Accounts payable	\$ 119,371		\$ 2,249	\$ 121,620
Accrued expenses	213,891		7,261	221,152
Due to other governments	5,373,767			5,373,767
Due to other funds	743,379	\$ 120,686	332,287	1,196,352
Total Liabilities	<u>6,450,408</u>	<u>120,686</u>	<u>341,797</u>	<u>6,912,891</u>
DEFERRED INFLOWS OF RESOURCES				
Unearned property tax revenue	1,111,634			1,111,634
Unearned land use tax revenue	4,500			4,500
Advance from grantor			329,259	329,259
Total Deferred Inflows of Resources	<u>1,116,134</u>	<u>-</u>	<u>329,259</u>	<u>1,445,393</u>
FUND BALANCES				
Nonspendable	69,237	969,700		1,038,937
Restricted	142,205	269,205	1,219,828	1,631,238
Committed	220,103		376,427	596,530
Assigned	9,868			9,868
Unassigned	404,696			404,696
Total Fund Balances	<u>846,109</u>	<u>1,238,905</u>	<u>1,596,255</u>	<u>3,681,269</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 8,412,651</u>	<u>\$ 1,359,591</u>	<u>\$ 2,267,311</u>	

Amounts reported for governmental activities in the statement of
net position are different because:

Capital assets used in governmental activities are not financial
resources and, therefore, are not reported in the funds 13,487,387

Property taxes are recognized on an accrual basis in the
statement of net position, not the modified accrual basis 1,111,634

Long-term liabilities are not due and payable in the current
period and, therefore, are not reported in the funds. Long-term
liabilities at year end consist of:

Bonds payable (190,000)
Accrued interest on long-term obligations (5,379)
Compensated absences payable (12,836)

Net position of governmental activities \$ 18,072,075

See accompanying notes to the basic financial statements

EXHIBIT D

TOWN OF WEARE, NEW HAMPSHIRE

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended December 31, 2014

	General Fund	Permanent Funds	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 3,268,176		\$ 6,152	\$ 3,274,328
Licenses and permits	1,625,438			1,625,438
Intergovernmental	769,189		43,444	812,633
Charges for services	254,395		140,200	394,595
Interest and investment income (loss)	(3,437)	\$ 88,204	86,860	171,627
Miscellaneous	53,861		30,141	84,002
Total Revenues	<u>5,967,622</u>	<u>88,204</u>	<u>306,797</u>	<u>6,362,623</u>
Expenditures:				
Current operations:				
General government	1,123,747	7,619	10,870	1,142,236
Public safety	1,903,800		116,539	2,020,339
Highways and streets	1,257,581			1,257,581
Sanitation	363,833		57,363	421,196
Water distribution and treatment	2,887			2,887
Health and welfare	40,232			40,232
Culture and recreation	254,037	30	3,345	257,412
Capital outlay	1,104,231	94,500	323,115	1,521,846
Debt service:				
Principal retirement	120,000			120,000
Interest and fiscal charges	14,629			14,629
Total Expenditures	<u>6,184,977</u>	<u>102,149</u>	<u>511,232</u>	<u>6,798,358</u>
Excess expenditures (over) revenues	<u>(217,355)</u>	<u>(13,945)</u>	<u>(204,435)</u>	<u>(435,735)</u>
Other financing sources (uses):				
Transfers in	200,604		176,372	376,976
Transfers out	(86,372)	(804)	(289,800)	(376,976)
Total other financing sources (uses)	<u>114,232</u>	<u>(804)</u>	<u>(113,428)</u>	<u>-</u>
Net change in fund balances	(103,123)	(14,749)	(317,863)	(435,735)
Fund balances at beginning of year	<u>949,232</u>	<u>1,253,654</u>	<u>1,914,118</u>	<u>4,117,004</u>
Fund balances at end of year	<u>\$ 846,109</u>	<u>\$ 1,238,905</u>	<u>\$ 1,596,255</u>	<u>\$ 3,681,269</u>

TOWN OF WEARE, NEW HAMPSHIRE

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities

For the Year Ended December 31, 2014

Net Change in Fund Balances--Total Governmental Funds	\$ (435,735)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.	544,880
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(61,123)
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of the loss on disposed capital assets reduced by the actual proceeds received from the sale of capital assets.	417
Repayment of principal on bonds is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	120,000
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	1,625
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(261)
Change in Net Position of Governmental Activities	<u>\$ 169,803</u>

See accompanying notes to the basic financial statements

EXHIBIT E
TOWN OF WEARE, NEW HAMPSHIRE
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2014

	Private- Purpose <u>Trust Funds</u>	Agency <u>Funds</u>
ASSETS		
Cash and cash equivalents		\$ 924,459
Investments	\$ 682,172	39,081
Total Assets	<u>682,172</u>	<u>\$ 963,540</u>
DEFERRED OUTFLOWS OF RESOURCES		
Total Deferred Outflows of Resources	<u>-</u>	
Total Assets and Deferred Outflows of Resources	<u>682,172</u>	
LIABILITIES		
Due to other governments		\$ 801,454
Deposits		50,584
Due to other funds		111,502
Total Liabilities	<u>-</u>	<u>\$ 963,540</u>
DEFERRED INFLOWS OF RESOURCES		
Total Deferred Inflows of Resources	<u>-</u>	
NET POSITION		
Held in trust	<u>682,172</u>	
Total net position	<u>\$ 682,172</u>	

See accompanying notes to the basic financial statements

EXHIBIT F
TOWN OF WEARE, NEW HAMPSHIRE
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2014

	Private- Purpose <u>Trust Funds</u>
ADDITIONS:	
Contributions:	
Private donations	\$ 2,550
Total Contributions	<u>2,550</u>
Investment earnings:	
Interest	17,445
Realized gains on investments	47,248
Net increase in the fair value of investments	<u>2,060</u>
Total Investment Earnings	<u>66,753</u>
Total Additions	<u>69,303</u>
DEDUCTIONS:	
Benefits	7,248
Investment Fees	<u>5,511</u>
Total Deductions	<u>12,759</u>
Change in net position	56,544
Net position - beginning of year	<u>625,628</u>
Net position - end of year	<u><u>\$ 682,172</u></u>

See accompanying notes to the basic financial statements

TOWN OF WEARE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2014

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Weare, New Hampshire conform to accounting policies generally accepted in the United States of America for local governmental units, except as indicated hereinafter. The following is a summary of significant accounting policies.

Financial Reporting Entity

The Town of Weare, New Hampshire (the Town) was incorporated in 1764. The Town operates under the Town Meeting/Board of Selectmen form of government and performs local governmental functions authorized by State law.

The financial statements include those of the various departments governed by the Board of Selectmen and other officials with financial responsibility. The Town has no other separate organizational units, which meet criteria for inclusion in the financial statements as defined by the Governmental Accounting Standards Board (GASB).

Basis of Presentation

The Town's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

1. Government-Wide Financial Statements:

The statement of net position and the statement of activities display information about the Town as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The statement of net position presents the financial condition of the governmental activities of the Town at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Town's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Town. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Town.

2. Fund Financial Statements:

During the year, the Town segregates transactions related to certain Town functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Town at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a

TOWN OF WEARE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
December 31, 2014

separate column. Nonmajor funds are aggregated and presented in a single column. The fiduciary funds are reported by type.

Fund Accounting

The Town uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Town employs the use of two categories of funds: governmental and fiduciary.

1. Governmental Funds:

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources, and liabilities and deferred inflows of resources is reported as fund balance. The following are the Town's major governmental funds:

The *General Fund* is the main operating fund of the Town and is used to account for all financial resources except those required to be accounted for in another fund.

The *Permanent Funds* account for the financial transactions related to resources that are legally restricted to the extent that only earnings and not principal may be used for purposes that support the Town's programs.

2. Fiduciary Funds:

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into two classifications: private purpose trust funds and agency funds. The private-purpose trust funds are used to account for assets held by the Town under a trust agreement for the benefit of individuals, private organizations, or other governments and are therefore not available to support the Town's own programs. The Town maintains numerous private purpose trust funds, which account for monies designated to benefit individuals within the Town. The Town's agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. The Town's agency funds consist of capital reserve funds of the Weare School District and John Stark Regional School District, which are held by the Town as required by State law. Other agency funds consist of developer's performance bonds.

Measurement Focus

1. Government-Wide Financial Statements:

The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of the Town are included on the Statement of Net Position.

TOWN OF WEARE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
December 31, 2014

2. Fund Financial Statements:

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The private purpose trust fund is reported using the economic resources measurement focus.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures.

1. Revenues – Exchange and Non-exchange Transactions:

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the Town, available means expected to be received within sixty days of year end.

Non-exchange transactions, in which the Town receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied (see Note 3). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the Town must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Town on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: property taxes and interest on investments.

Licenses and permits and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received.

TOWN OF WEARE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
December 31, 2014

2. Unearned Revenue:

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants received before the eligibility requirements are met are recorded as advances from grantors. On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as unearned revenue.

3. Expenses/Expenditures:

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization are not recognized in governmental funds.

Budgetary Data

The Town's budget represents functional appropriations as authorized by annual or special Town meetings. The Selectmen may transfer funds between operating categories as they deem necessary. The Town adopts its budget under State regulations, which differ somewhat from accounting principles generally accepted in the United States of America in that the focus is on the entire governmental unit rather than on the basis of fund types.

State law requires balanced budgets but permits the use of beginning fund balance to reduce the property tax rate. For the year ended December 31, 2014, the Town applied \$200,000 of its unassigned fund balance to reduce taxes. An additional \$211,992 from fund balance was authorized at the 2014 annual meeting to offset approved warrant articles.

Investments

Investments are stated at their fair value in all funds. Certificates of deposit and repurchase agreements with a maturity of greater than ninety days from the date of issuance are included in investments.

Accounts Receivable

Accounts receivable are recorded net of reserves for estimated uncollectibles in the Nonmajor Governmental Funds of \$140,536.

Taxes Receivable

Taxes levied during the current year and prior and uncollected at December 31, 2014 are recorded as receivables net of reserves for estimated uncollectibles of \$100,000.

Capital Assets

General capital assets result from expenditures in the governmental funds. These assets are reported in the government-wide statement of net position, but are not reported in the fund financial statements.

TOWN OF WEARE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
December 31, 2014

All capital assets including infrastructure are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair values as of the date received. The Town maintains a capitalization threshold of \$5,000. The Town's infrastructure consists of roads, bridges, and similar items. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except for land, easements with an indefinite life and construction in process are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the Town's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

	<u>Description</u>	<u>Years</u>
Infrastructure		40
Land improvements		15-20
Buildings and improvements		5-50
Vehicles and equipment		3-20

Compensated Absences

Employees earn vacation and sick leave as they provide services. Provision is made in the annual budget for vacation and sick leave. Pursuant to Town personnel policy, full time employees may accumulate sick leave days to a maximum of 90 days. Upon retirement, an employee that has worked for the Town for a minimum number of years will be reimbursed for a percentage of any unused accumulated sick days as follows: 50% of accumulated sick leave will be paid to employees that have worked a minimum of 20 years; 75% will be paid for those with 25 years of service; and 100% will be paid for those with 30 years of service.

During the year ended December 31, 2008, the Town amended the sick time policy for employees who had unused sick time as of August 2003, when the current policy took effect. Regardless of tenure, if the employee leaves town employment at retirement age and was hired before August 2003, the employee has effectively been grandfathered under the previous policy and is able to receive 100% of their vested sick time balance. For these employees, the Town recognizes a liability of 100% of August 2003 or December 31, 2014 balance, whichever is less.

Pursuant to the police union contract, full time employees may accumulate sick leave to a maximum of 900 hours. Upon termination or retirement, a bargaining unit member that has worked for the Town for a minimum number of years will be reimbursed for a percentage of any unused accumulated sick days as follows: 75% of accumulated sick leave will be paid to employees that have worked a minimum of 15 years and 100% will be paid for those with 20 years of service.

For governmental fund financial statements, compensated absences are reported as liabilities and expenditures as payments come due each period upon the occurrence of employee death or retirement. The entire compensated absence liability is reported on the government-wide financial statements.

TOWN OF WEARE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
December 31, 2014

Accrued Liabilities and Long-Term Obligations

Except for the obligation for other post-employment benefits (see Note 2), all payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities, that once incurred, are paid in a timely manner and in full from current resources; are reported as obligations of the funds. Long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances on any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

The Town's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Balance Policy

Under GASB Statement 54, the Town has segregated fund balance into five classifications: Nonspendable, Restricted, Committed, Assigned, and Unassigned. The components of fund balance are defined as follows:

- **Nonspendable Fund Balance:** Amounts that are not in a spendable form or are required to be maintained intact.
- **Restricted Fund Balance:** Amounts constrained to specific purposes by their providers through constitutional provisions or by enabling legislation.
- **Committed Fund Balance:** Amounts constrained to specific purposes by a government itself using its highest level of decision-making authority. To be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.
- **Assigned Fund Balance:** Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.
- **Unassigned Fund Balance:** Amounts that are available for any purpose; these amounts are reported only in the General Fund. Any deficit fund balance of another fund is also classified as unassigned.

As of December 31, 2014, the Town has not adopted a fund balance policy. In circumstances where expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, restricted fund balance is considered to have been spent first. When expenditures are incurred

TOWN OF WEARE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
December 31, 2014

for purposes for which amounts in any of the unrestricted fund balance classification can be used, committed amounts should be reduced first, followed by assigned amounts then unassigned amounts.

Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented in the financial statements.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates. Significant estimates include the allowance for uncollectible receivables and depreciation expense.

NOTE 2--STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Other Post-Employment Benefits

The Town did not implement GASB Statement 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*. Statement 45 requires governments to account for other post-employment benefits (OPEB), primarily healthcare, on an accrual basis rather than on a pay-as-you-go basis. The provisions of GASB 45 were required to be implemented by the Town during the year ended December 31, 2009.

NOTE 3--PROPERTY TAXES

Taxes are levied on the assessed valuation of all taxable real property as of the prior April 1 (\$819,615,914 as of April 1, 2014) and are due in two installments on July 1, 2014 and December 1, 2014. Taxes paid after the due dates accrue interest at 12% per annum. Property taxes are recognized as revenue when received in cash or if available to finance current period operations (within sixty days of year end).

Under State law, the Tax Collector obtains tax liens on properties which have unpaid taxes in the following calendar year after taxes were due for the amount of unpaid taxes, interest and costs. These priority tax liens accrue interest at 18% per annum. If the property is not redeemed within a two year redemption period, the property may be tax deeded to the Town.

In accordance with State law, the Town collects taxes for the Weare School District, John Stark Regional School District and Hillsborough County, all independent governmental units, which are remitted to them as required by law. The Town also collects State of New Hampshire Education taxes, which are remitted directly to the school districts. Total taxes appropriated during the year were \$8,087,185, \$5,936,582, and \$936,286 for the Weare School District, John Stark Regional School District and Hillsborough County, respectively. These taxes are not recognized as revenues in these financial statements. The Town bears responsibility for uncollected taxes. At December 31, 2014, the balance of the property tax

TOWN OF WEARE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
December 31, 2014

appropriations due to the Weare School District and John Stark Regional School District are \$3,287,185 and \$2,086,582, respectively.

NOTE 4--RISK MANAGEMENT

The Town is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended December 31, 2014, the Town was a member of and participated in public entity risk pools (Trust) for property and liability insurance and worker's compensation coverage. Coverage has not been significantly reduced from the prior year and settled claims have not exceeded coverage in any of the past three years.

The Trust agreements permit the Trusts to make additional assessments to members should there be a deficiency in Trust assets to meet its liabilities. Accounting principles generally accepted in the United States of America require members of pools with a sharing of risk to determine whether or not such assessment is probable and, if so, a reasonable estimate of such assessment. At this time, the Trusts foresee no likelihood of additional assessments for any of the past years. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Based on the best available information, there is no liability at December 31, 2014.

Property and Liability Insurance

The Trust provides certain property and liability insurance coverage to member towns, cities, and other qualified political subdivisions of New Hampshire. As a member of the Trust, the Town shares in contributing to the cost of and receiving benefit from a self-insured pooled risk management program. The program includes a Self-Insured Retention Fund from which is paid up to \$500,000 for each and every covered property, crime and/or liability loss that exceeds \$1,000, up to an aggregate of \$5,000,000. Each property loss is subject to a \$1,000 deductible. All losses over the aggregate are covered by insurance policies.

Worker's Compensation

The Trust provides statutory worker's compensation coverage to member towns, cities, and other qualified political subdivisions of New Hampshire. The Trust is self-sustaining through annual member premiums and provides coverage for the statutorily required workers' compensation benefits and employer's liability coverage up to \$2,000,000. The program includes a Loss Fund from which is paid up to \$500,000 for each and every covered claim.

NOTE 5--DEPOSITS AND INVESTMENTS

Deposits and investments as of December 31, 2014 are classified in the accompanying financial statements as follows:

TOWN OF WEARE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
December 31, 2014

Statement of Net Position:	
Cash and cash equivalents	\$ 6,635,861
Investments	2,508,501
Statement of Fiduciary Net Position:	
Cash and cash equivalents	924,459
Investments	721,253
	<u>\$ 10,790,074</u>

Deposits and investments at December 31, 2014 consist of the following:

Deposits with financial institutions	\$ 7,607,337
Investments	3,182,737
	<u>\$ 10,790,074</u>

The Town's investment policy for governmental fund types requires that deposits be made in New Hampshire based financial institutions that are participants in one of the federal depository insurance programs. The Town limits its investments to demand deposits, money market accounts, certificates of deposit and overnight repurchase agreements or the New Hampshire Public Deposit Investment Pool (NHPDIP), an external investment pool in accordance with New Hampshire State law (RSA 41:29). Investments of the library funds are at the discretion of the Library Trustees. Responsibility for the investments of the expendable trust funds, permanent funds, private purpose trust funds and school district agency funds is with the Board of Trustees, who have employed professional banking assistance in accordance with New Hampshire state law (RSA 31:38a).

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. None of the investments held by the Town as of December 31, 2014 are rated.

The Town's investment policy states the Town may utilize any entity with an investment grade rating issued by Moody's and S&P at a minimum of Aa2 and AA, respectively. Both the Trustees of Trust Funds' and the Library Trustees investment policies addresses credit risk by limiting investments to the safest types of securities and diversifying the investment portfolio. The following is the actual rating at year end for each investment type:

<u>Investment Type</u>	<u>Not rated</u>
Money market funds	\$ 166,151
Mutual funds	1,796,210
	<u>\$ 1,962,361</u>

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

TOWN OF WEARE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
December 31, 2014

The Town's investment policy ensures that prior to acceptance of any moneys for deposit or investment, including repurchase agreements, the federally insured bank shall have such funds, at the time of deposit or investments, secured by collateral having a market value at least equal to 102% of the amount deposited or invested. The investment policy of the Trustees of Trust Funds for principal and income specifies an asset allocation as follows: cash and cash equivalents (remainder); fixed income (approximately 25-45%); and equities (approximately 50-75%). The entire balance of the capital reserve funds is to be invested in cash and cash equivalents (i.e. money market mutual funds). The investment policy of the Library Trustees specifies an asset allocation as follows: cash and cash equivalents (remainder); equities (approximately 40%); and fixed income (approximately 60%).

As of December 31, 2014, Town investments in the following investment types were held by the same counterparty that was used to buy the securities.

	<u>Investment Type</u>	<u>Reported Amount</u>
Equity securities		\$ 1,220,376
Mutual funds		1,796,210
		<u>\$ 3,016,586</u>

Of the Town's deposits with financial institutions at year end, \$7,042,796 was collateralized by securities held by the bank in the bank's name.

NOTE 6--CAPITAL ASSETS

The following is a summary of changes in capital assets in the governmental activities:

	<u>Balance 1/1/2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2014</u>
Governmental activities:				
Capital assets not depreciated:				
Land	\$ 6,132,469	\$ 706,600		\$ 6,839,069
Easements	324,085			324,085
Construction in process	171,962	49,429		221,391
Total capital assets not being depreciated	<u>6,628,516</u>	<u>756,029</u>	<u>\$ -</u>	<u>7,384,545</u>
Other capital assets:				
Infrastructure	3,907,927			3,907,927
Land improvements	78,574	19,500		98,074
Buildings and improvements	3,227,098	74,470		3,301,568
Vehicles and equipment	7,135,883	175,797	(61,256)	7,250,424
Total other capital assets at historical cost	<u>14,349,482</u>	<u>269,767</u>	<u>(61,256)</u>	<u>14,557,993</u>
Less accumulated depreciation for:				
Infrastructure	(1,092,545)	(97,698)		(1,190,243)
Land improvements	(20,678)	(4,548)		(25,226)
Buildings and improvements	(1,497,820)	(70,033)		(1,567,853)
Vehicles and equipment	(5,424,865)	(300,137)	53,173	(5,671,829)
Total accumulated depreciation	<u>(8,035,908)</u>	<u>(472,416)</u>	<u>53,173</u>	<u>(8,455,151)</u>
Total other capital assets, net	<u>6,313,574</u>	<u>(202,649)</u>	<u>(8,083)</u>	<u>6,102,842</u>
Total capital assets, net	<u>\$ 12,942,090</u>	<u>\$ 553,380</u>	<u>\$ (8,083)</u>	<u>\$ 13,487,387</u>

TOWN OF WEARE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
December 31, 2014

Depreciation expense was charged to governmental functions as follows:

General government	\$ 23,988
Public safety	186,344
Highways and streets	214,315
Sanitation	38,554
Culture and recreation	9,215
Total governmental activities depreciation expense	<u>\$ 472,416</u>

NOTE 7--DEFINED BENEFIT PLAN

Plan Description

The Town contributes to the New Hampshire Retirement System (NHRS), a cost-sharing multiple-employer defined benefit pension plan administered by the NHRS Board of Trustees. The plan provides service, disability, death and vested retirement allowances to plan members and beneficiaries. Benefit provisions are established and may be amended by the New Hampshire State legislature. The NHRS issues a publicly available financial report that includes financial statements and required supplementary information for NHRS. That report may be obtained by writing to New Hampshire Retirement System, 54 Regional Drive, Concord, New Hampshire 03301.

Funding Policy

Covered public safety employees are required to contribute 11.55% of their covered salary, whereas general employees are required to contribute 7.0% of their covered salary. The Town is required to contribute at an actuarially determined rate. The Town's contribution rates for the covered payroll of police officers and general employees were 25.30% and 10.77%, respectively. The Town contributed 100% of the employer cost for police officers and general employees of the Town.

Per RSA-100:16, plan member contribution rates are established and may be amended by the New Hampshire State legislature and employer contribution rates are determined by the NHRS Board of Trustees based on an actuarial valuation. The Town's contributions to the NHRS for the years ending December 31, 2014, 2013, and 2012 were \$271,844, \$266,096, and \$238,301, respectively, equal to the required contributions for each year.

NOTE 8--LONG-TERM OBLIGATIONS

Changes in Long-Term Obligations

The changes in the Town's long-term obligations for the year ended December 31, 2014 are as follows:

	Balance 1/1/2014	Additions	Reductions	Balance 12/31/2014	Due Within One Year
Governmental activities:					
Bonds Payable	\$ 310,000		\$ (120,000)	\$ 190,000	\$ 120,000
Compensated absences	12,575	\$ 261		12,836	
Total governmental activities	<u>\$ 322,575</u>	<u>\$ 261</u>	<u>\$ (120,000)</u>	<u>\$ 202,836</u>	<u>\$ 120,000</u>

TOWN OF WEARE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
December 31, 2014

Payments on the general obligation bonds are paid out of the General Fund. Compensated absences will be paid from the fund where the employee's salary is paid.

General Obligation Bonds

Bonds payable at December 31, 2014 are comprised of the following individual issues:

	Original Issue <u>Amount</u>	Interest <u>Rate</u>	Final Maturity <u>Date</u>	Balance at <u>12/31/2014</u>
Ferrante property purchase	\$ 700,000	4.26%	June 2016	\$ 140,000
1995 Series A bond issue	<u>1,000,000</u>	5.45-5.70%	August 2015	<u>50,000</u>
	<u>\$ 1,700,000</u>			<u>\$ 190,000</u>

Debt service requirements to retire general obligation bonds outstanding at December 31, 2014 are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2015	\$ 120,000	\$ 8,777	\$ 128,777
2016	<u>70,000</u>	<u>2,982</u>	<u>72,982</u>
	<u>\$ 190,000</u>	<u>\$ 11,759</u>	<u>\$ 201,759</u>

NOTE 9--INTERFUND BALANCES AND TRANSFERS

The Town has combined the cash resources of several of its governmental fund types. For accounting and reporting purposes, that portion of the pooled cash balance is reported in the specific fund as an interfund balance. Also, the General Fund has paid for various items that are to be reimbursed from several of the Nonmajor Governmental Funds and the Fiduciary Funds. These reimbursements due to the General Fund are reflected as interfund receivables at year end.

Interfund balances at December 31, 2014 are as follows:

	<u>General Fund</u>	<u>Permanent Funds</u>	<u>Due from</u> <u>Nonmajor</u>		<u>Totals</u>
			<u>Governmental Funds</u>	<u>Fiduciary Funds</u>	
<u>Due to</u> General Fund		\$ 120,686	\$ 242,287	\$ 111,502	\$ 474,475
Nonmajor Governmental Funds	\$ 743,379		90,000		833,379
	<u>\$ 743,379</u>	<u>\$ 120,686</u>	<u>\$ 332,287</u>	<u>\$ 111,502</u>	<u>\$ 1,307,854</u>

During the year, several interfund transactions occurred between funds. The various transfers between the General Fund and the Nonmajor Governmental Funds were made in accordance with budgetary authorizations. Interfund transfers for the year ended December 31, 2014 are as follows:

TOWN OF WEARE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
December 31, 2014

	Transfer from			Totals
	General Fund	Permanent Funds	Nonmajor Governmental Funds	
Transfer to General Fund		\$ 804	\$ 199,800	\$ 200,604
Nonmajor Governmental Funds	\$ 86,372		90,000	176,372
	<u>\$ 86,372</u>	<u>\$ 804</u>	<u>\$ 289,800</u>	<u>\$ 376,976</u>

NOTE 10--RESTRICTED NET POSITION

Net position is restricted for specific purposes as follows:

Permanent funds - principal	\$ 969,700
Permanent funds - income	269,205
Eastman Trust	866,490
Mildred Hall Trust	37,314
Library donations	142,205
Drug forfeiture	127
Bridge Capital Projects	315,897
	<u>2,600,938</u>
Less: unexpended bond proceeds	<u>(50,000)</u>
	<u>\$ 2,550,938</u>

NOTE 11--COMPONENTS OF FUND BALANCE

The components of the Town's fund balance for its governmental fund at December 31, 2014 are as follows:

<u>Fund Balances</u>	General Fund	Permanent Funds	Nonmajor Governmental Funds	Total Governmental Funds
<i>Nonspendable:</i>				
Tax deeded property	\$ 69,237			\$ 69,237
Permanent Funds - principal		\$ 969,700		969,700
<i>Restricted for:</i>				
Library donations	142,205			142,205
Permanent Funds - income		269,205		269,205
Drug forfeiture			\$ 127	127
Mildred Hall trust			37,314	37,314
Eastman trust			866,490	866,490
Bridge projects			315,897	315,897
<i>Committed for:</i>				
Expendable Trusts	220,103			220,103
Town Forest			150,571	150,571
Conservation Commission			71,881	71,881
Sewer operations			7,581	7,581

TOWN OF WEARE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
December 31, 2014

Fire Department Vehicle Replacement			96,887	96,887
Police Contracted Details			9,801	9,801
Transfer Station			843	843
EMT/Firefighter			38,863	38,863
<i>Assigned for:</i>				
Library operations	4,694			4,694
Encumbrances	5,174			5,174
<i>Unassigned:</i>				
General operations	404,696			404,696
	<u>\$ 846,109</u>	<u>\$ 1,238,905</u>	<u>\$ 1,596,255</u>	<u>\$ 3,681,269</u>

NOTE 12--CONTINGENCIES

The Town's management estimates that any potential claims against the Town, which are not covered by insurance, are immaterial and would not affect the financial position of the Town.

NOTE 13—SUBSEQUENT EVENT

On August 10, 2015, the Town entered into a capital lease agreement for a highway grader in the amount of \$307,864. This lease is due in annual installments of \$64,058, including interest at 2.0%, through August 2020. The contract is subject to cancellation should funds not be appropriated to meet payment obligations.

NOTE 14—IMPLEMENTATION OF FUTURE ACCOUNTING STANDARDS

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68, *Accounting and Financial Reporting for Pensions*, which the Town is required to implement in the year ending December 31, 2015. Management believes that this pronouncement will have a potentially significant impact on the Town's government wide financial statements. The Town will have to report its estimated proportional share of the New Hampshire Retirement System's unfunded pension liability in the financial statements for the fiscal years beginning after June 15, 2014.

SCHEDULE 1

TOWN OF WEARE, NEW HAMPSHIRE

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budgetary Basis) - General Fund

For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
Revenues:				
Taxes	\$ 3,194,674	\$ 3,194,674	\$ 3,207,053	\$ 12,379
Licenses and permits	1,587,660	1,587,660	1,625,438	37,778
Intergovernmental	968,631	968,631	768,889	(199,742)
Charges for services	200,073	200,073	253,444	53,371
Interest income	2,000	2,000	3,098	1,098
Miscellaneous	-	-	51,304	51,304
Total Revenues	<u>5,953,038</u>	<u>5,953,038</u>	<u>5,909,226</u>	<u>(43,812)</u>
Expenditures:				
Current:				
General government	1,072,652	1,079,542	1,095,482	(15,940)
Public safety	1,856,338	1,864,604	1,824,022	40,582
Highways and streets	1,325,170	1,326,876	1,236,160	90,716
Sanitation	359,625	359,625	366,379	(6,754)
Water distribution and treatment	3,300	3,300	2,707	593
Health and welfare	41,856	42,146	40,232	1,914
Culture and recreation	54,512	54,663	46,827	7,836
Economic development	750	750	-	750
Capital outlay	1,003,600	883,200	852,717	30,483
Debt service:				
Principal retirement	120,000	120,000	120,000	-
Interest and fiscal charges	14,571	14,571	14,629	(58)
Total Expenditures	<u>5,852,374</u>	<u>5,749,277</u>	<u>5,599,155</u>	<u>150,122</u>
Excess revenues over expenditures	<u>100,664</u>	<u>203,761</u>	<u>310,071</u>	<u>106,310</u>
Other financing sources (uses):				
Transfers in	330,000	230,000	208,376	(21,624)
Transfers out	(633,864)	(636,961)	(634,907)	2,054
Total other financing sources (uses)	<u>(303,864)</u>	<u>(406,961)</u>	<u>(426,531)</u>	<u>(19,570)</u>
Net change in fund balance	(203,200)	(203,200)	(116,460)	86,740
Fund balance at beginning of year				
- Budgetary Basis	<u>1,835,185</u>	<u>1,835,185</u>	<u>1,835,185</u>	<u>-</u>
Fund balance at end of year				
- Budgetary Basis	<u>\$ 1,631,985</u>	<u>\$ 1,631,985</u>	<u>\$ 1,718,725</u>	<u>\$ 86,740</u>

See accompanying notes to the required supplementary information

TOWN OF WEARE, NEW HAMPSHIRE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended December 31, 2014

NOTE 1—BUDGET TO ACTUAL RECONCILIATION

Amounts recorded as budgetary amounts in the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) – General Fund (Schedule 1) are reported on the basis budgeted by the Town. Those amounts differ from those reported in conformity with accounting principles generally accepted in the United States of America in the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds (Exhibit D). Property tax budgetary revenues are recognized when levied rather than when susceptible to accrual. Budgetary revenues and other financing sources and expenditures and other financing uses were adjusted for encumbrances, accrued vacation, non-budgetary revenues and expenditures, non-budgetary transfers in, and budgetary transfers in and out as follows:

	Revenues and Other Financing <u>Sources</u>	Expenditures and Other Financing <u>Uses</u>
Per Exhibit D	\$ 6,168,226	\$ 6,271,349
Difference in property taxes meeting susceptible to accrual criteria	(61,123)	
Encumbrances - December 31, 2014		5,174
Encumbrances - December 31, 2013		(68,806)
Accrued Vacation - December 31, 2014		(133,158)
Accrued Vacation - December 31, 2013		112,163
Non-budgetary revenues and expenditures	2,727	(501,195)
Non-budgetary transfers in	(604)	
Budgetary transfers in and out	8,376	548,535
Per Schedule 1	<u>\$ 6,117,602</u>	<u>\$ 6,234,062</u>

NOTE 2—BUDGETARY FUND BALANCE

The components of the budgetary fund balance for the General Fund at December 31, 2014 are as follows:

<i>Nonspendable:</i>	
Tax deeded property	\$ 69,237
<i>Unassigned</i>	
Unassigned - General operations	1,649,488
	<u>\$ 1,718,725</u>

SCHEDULE A
TOWN OF WEARE, NEW HAMPSHIRE
Combining Balance Sheet
Governmental Funds - All Nonmajor Funds
December 31, 2014

	Special Revenue Funds	Bridge Capital Projects Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 334,842		\$ 334,842
Investments	1,029,568		1,029,568
Accounts receivable, net	69,522		69,522
Due from other funds	188,223	\$ 645,156	833,379
Total Assets	<u>1,622,155</u>	<u>645,156</u>	<u>2,267,311</u>
DEFERRED OUTFLOWS OF RESOURCES			
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 1,622,155</u>	<u>\$ 645,156</u>	<u>\$ 2,267,311</u>
LIABILITIES			
Accounts payable	\$ 2,249		\$ 2,249
Accrued expenses	7,261		7,261
Due to other funds	332,287		332,287
Total Liabilities	<u>341,797</u>	<u>\$ -</u>	<u>341,797</u>
DEFERRED INFLOWS OF RESOURCES			
Advance from grantor		329,259	329,259
Total Deferred Inflows of Resources	<u>-</u>	<u>329,259</u>	<u>329,259</u>
FUND BALANCES			
Restricted	903,931	315,897	1,219,828
Committed	376,427		376,427
Total Fund Balances	<u>1,280,358</u>	<u>315,897</u>	<u>1,596,255</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,622,155</u>	<u>\$ 645,156</u>	<u>\$ 2,267,311</u>

SCHEDULE A-1
TOWN OF WEARE, NEW HAMPSHIRE
Combining Balance Sheet
Governmental Funds - All Nonmajor Special Revenue Funds
December 31, 2014

	Town Forest Fund	Conservation Commission Fund	Sewer Fund	Fire Department Vehicle Replacement Fund	Police Contracted Details Fund	Drug Forfeiture Fund	Transfer Station Fund	EMT/Firefighter Revolving Fund	Mildred Hall Expendable Trust Fund	Eastman Expendable Trust Fund	Total Nonmajor Special Revenue Funds
ASSETS											
Cash and cash equivalents	\$ 167,592	\$ 70,127		\$ 31,336	\$ 11,843		\$ 5,931	\$ 48,013			\$ 334,842
Investments		1,146				\$ 5,632			\$ 61,415	\$ 961,375	1,029,568
Accounts receivable, net			\$ 253	65,308	3,630		331				69,522
Due from other funds		608	7,372	90,243				90,000			188,223
Total Assets	<u>167,592</u>	<u>71,881</u>	<u>7,625</u>	<u>186,887</u>	<u>15,473</u>	<u>5,632</u>	<u>6,262</u>	<u>138,013</u>	<u>61,415</u>	<u>961,375</u>	<u>1,622,155</u>
DEFERRED OUTFLOWS OF RESOURCES											
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 167,592</u>	<u>\$ 71,881</u>	<u>\$ 7,625</u>	<u>\$ 186,887</u>	<u>\$ 15,473</u>	<u>\$ 5,632</u>	<u>\$ 6,262</u>	<u>\$ 138,013</u>	<u>\$ 61,415</u>	<u>\$ 961,375</u>	<u>\$ 1,622,155</u>
LIABILITIES											
Accounts payable			\$ 44				\$ 2,205				\$ 2,249
Accrued expenses								\$ 7,261			7,261
Due to other funds	\$ 17,021			\$ 90,000	\$ 5,672	\$ 5,505	3,214	91,889	\$ 24,101	\$ 94,885	332,287
Total Liabilities	<u>17,021</u>	<u>\$ -</u>	<u>44</u>	<u>90,000</u>	<u>5,672</u>	<u>5,505</u>	<u>5,419</u>	<u>99,150</u>	<u>24,101</u>	<u>94,885</u>	<u>341,797</u>
DEFERRED INFLOWS OF RESOURCES											
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES											
Restricted						127			37,314	866,490	903,931
Committed	150,571	71,881	7,581	96,887	9,801		843	38,863			376,427
Total Fund Balances	<u>150,571</u>	<u>71,881</u>	<u>7,581</u>	<u>96,887</u>	<u>9,801</u>	<u>127</u>	<u>843</u>	<u>38,863</u>	<u>37,314</u>	<u>866,490</u>	<u>1,280,358</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 167,592</u>	<u>\$ 71,881</u>	<u>\$ 7,625</u>	<u>\$ 186,887</u>	<u>\$ 15,473</u>	<u>\$ 5,632</u>	<u>\$ 6,262</u>	<u>\$ 138,013</u>	<u>\$ 61,415</u>	<u>\$ 961,375</u>	<u>\$ 1,622,155</u>

SCHEDULE B

TOWN OF WEARE, NEW HAMPSHIRE

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds - All Nonmajor Funds

For the Year Ended December 31, 2014

	Special Revenue <u>Funds</u>	Bridge Capital Projects <u>Fund</u>	Total Nonmajor Governmental <u>Funds</u>
Revenues:			
Taxes	\$ 6,152		\$ 6,152
Intergovernmental	3,900	\$ 39,544	43,444
Charges for services	140,200		140,200
Interest and investment income	86,860		86,860
Miscellaneous	30,141		30,141
Total Revenues	<u>267,253</u>	<u>39,544</u>	<u>306,797</u>
Expenditures:			
Current operations:			
General government	10,870		10,870
Public safety	116,539		116,539
Sanitation	57,363		57,363
Culture and recreation	3,345		3,345
Capital outlay	<u>273,686</u>	<u>49,429</u>	<u>323,115</u>
Total Expenditures	<u>461,803</u>	<u>49,429</u>	<u>511,232</u>
Excess revenues over expenditures	<u>(194,550)</u>	<u>(9,885)</u>	<u>(204,435)</u>
Other financing sources (uses):			
Transfers in	90,000	86,372	176,372
Transfers out	<u>(289,800)</u>		<u>(289,800)</u>
Total other financing sources (uses)	<u>(199,800)</u>	<u>86,372</u>	<u>(113,428)</u>
Net change in fund balances	(394,350)	76,487	(317,863)
Fund balances at beginning of year	<u>1,674,708</u>	<u>239,410</u>	<u>1,914,118</u>
Fund balances at end of year	<u>\$ 1,280,358</u>	<u>\$ 315,897</u>	<u>\$ 1,596,255</u>

SCHEDULE B-1
TOWN OF WEARE, NEW HAMPSHIRE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds - All Nonmajor Special Revenue Funds
For the Year Ended December 31, 2014

	Town Forest Fund	Conservation Commission Fund	Sewer Fund	Fire Department Vehicle Replacement Fund	Police Contracted Details Fund	Drug Forfeiture Fund	Transfer Station Fund	EMT/Firefighters Revolving Fund	Mildred Hall Expendable Trust Fund	Eastman Expendable Trust Fund	Total Nonmajor Special Revenue Funds
Revenues:											
Taxes		\$ 6,152									\$ 6,152
Intergovernmental						\$ 3,900					3,900
Charges for services			\$ 13,258	\$ 72,182	\$ 14,185		\$ 40,575				140,200
Interest and investment income	\$ 16	215		78	3	3	15	\$ 11	\$ 4,533	\$ 81,986	86,860
Miscellaneous	30,141										30,141
Total Revenues	<u>30,157</u>	<u>6,367</u>	<u>13,258</u>	<u>72,260</u>	<u>14,188</u>	<u>3,903</u>	<u>40,590</u>	<u>11</u>	<u>4,533</u>	<u>81,986</u>	<u>267,253</u>
Expenditures:											
Current operations:											
General government									1,882	8,988	10,870
Public safety				6,859	13,608	5,507		90,565			116,539
Sanitation			14,221				43,142				57,363
Culture and recreation		3,345									3,345
Capital outlay									24,101	249,585	273,686
Total Expenditures	<u>-</u>	<u>3,345</u>	<u>14,221</u>	<u>6,859</u>	<u>13,608</u>	<u>5,507</u>	<u>43,142</u>	<u>90,565</u>	<u>25,983</u>	<u>258,573</u>	<u>461,803</u>
Excess revenues over (under) expenditures	<u>30,157</u>	<u>3,022</u>	<u>(963)</u>	<u>65,401</u>	<u>580</u>	<u>(1,604)</u>	<u>(2,552)</u>	<u>(90,554)</u>	<u>(21,450)</u>	<u>(176,587)</u>	<u>(194,550)</u>
Other financing sources (uses):											
Transfers in								90,000			90,000
Transfers out	(19,800)	(180,000)		(90,000)							(289,800)
Total other financing sources (uses)	<u>(19,800)</u>	<u>(180,000)</u>	<u>-</u>	<u>(90,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>90,000</u>	<u>-</u>	<u>-</u>	<u>(199,800)</u>
Net change in fund balances	10,357	(176,978)	(963)	(24,599)	580	(1,604)	(2,552)	(554)	(21,450)	(176,587)	(394,350)
Fund balances at beginning of year	<u>140,214</u>	<u>248,859</u>	<u>8,544</u>	<u>121,486</u>	<u>9,221</u>	<u>1,731</u>	<u>3,395</u>	<u>39,417</u>	<u>58,764</u>	<u>1,043,077</u>	<u>1,674,708</u>
Fund balances at end of year	<u>\$ 150,571</u>	<u>\$ 71,881</u>	<u>\$ 7,581</u>	<u>\$ 96,887</u>	<u>\$ 9,801</u>	<u>\$ 127</u>	<u>\$ 843</u>	<u>\$ 38,863</u>	<u>\$ 37,314</u>	<u>\$ 866,490</u>	<u>\$ 1,280,358</u>

SCHEDULE C
TOWN OF WEARE, NEW HAMPSHIRE
Combining Statement of Fiduciary Net Position
Fiduciary Funds - All Agency Funds
December 31, 2014

	School Agency <u>Fund</u>	Performance Bond Agency <u>Fund</u>	Combining <u>Totals</u>
ASSETS			
Cash and cash equivalents	\$ 801,454	\$ 123,005	\$ 924,459
Investments		39,081	39,081
Total Assets	<u>\$ 801,454</u>	<u>\$ 162,086</u>	<u>\$ 963,540</u>
LIABILITIES			
Due to other governments	\$ 801,454		\$ 801,454
Deposits		\$ 50,584	50,584
Due to other funds		111,502	111,502
Total Liabilities	<u>\$ 801,454</u>	<u>\$ 162,086</u>	<u>\$ 963,540</u>